

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997 :

DOCKET NO. R97-1

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

PARCEL SHIPPERS ASSOCIATION (PSA) RESPONSE TO NOTICE OF INQUIRY NO. 2 (NOI No. 2)

The Parcel Shippers Association (PSA) offers the following comments in response to NOI No. 2:

1. Part I of NOI No. 2 raises the question of whether the Postal Service intended to create a new subclass of Standard Mail by including a category called "Bulk Parcel Post" as Section 322.2 of the DMCS. If USPS intended to create a new subclass of bulk parcels, then we are concerned that the manner in which this is done does not accomplish that purpose. For example, if Bulk Parcel Post is to be a new subclass, then it would appear that it would not be eligible for any of the DBMC, DSC, and DDU discounts, which as proposed in the Postal Service filing, would appear to be available only for the Section 322.1 parcel post subclass. Surely that cannot be the Postal Service's intention.

For our part, Parcel Shippers Association (PSA) has always believed that bulk parcel post should be in a subclass separate from single piece parcels. The records of numerous postal proceedings, including this one, contain more than enough evidence to document there are significant cost differences between the two types of parcel; moreover, it should be obvious that there is an entirely different market: single parcel mailers, and those, such as law offices, that mail a few parcels on occasion, are obviously a different market than bulk parcel shippers, *i.e.*, those that ship in quantities of 300 or more parcels. Unfortunately, it appears that, rather than proposing a new subclass for bulk parcels, as it should have, the Postal Service merely made a mistake.

2. Part B (1) of the NOI notes the continuing usage in this proceeding, as well as in general parlance, of the terms of "third" and "fourth" class mail, even though that nomenclature is obsolete, and asks whether there should not be a distinction made among the different kinds of matter included in "Standard B." We believe the NOI is on to something. There is almost nothing in common between the vastly predominant amount of mail in "Standard A" and the mail in "Standard B." However, we do not think that the NOI suggestion of a "Standard C," category is helpful. In our view it merely compounds the confusion already attendant upon the use of the word "standard" to

embrace so many different kinds of mail. Rather, it is our suggestion that the term "standard" be used exclusively for what was heretofore known as third class mail. A new name should be proposed for mail that weighs one (1) pound and over as a generic category. The rate categories within what was formerly fourth class mail are readily understandable and have long recognition. What is confusing, rather, is the use of the term "standard" as the prefatory nomenclature of those rate categories.

Respectfully submitted,



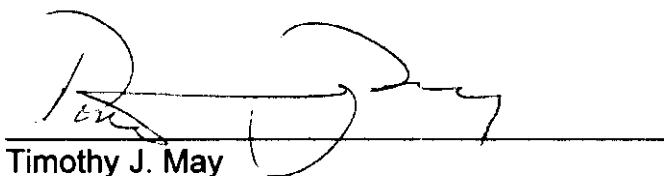
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Dated: December 19, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



Timothy J. May

Dated: December 19, 1997